

5 Steps To Selecting A Contractor

Most Tennessee contractors are hard-working, honest, skilled and dependable. Before you hire a contractor for new construction or home or remodeling work, the Board for Licensing Contractors recommends the following steps:

- 1 Ask to see the contractor's license and write down the number.** A pocket card is provided to all licensed contractors by the Board. • *Check with the State Board of Licensing Contractors to verify the validity and current status of the contractor's license.*
- 2 Get recommendations from friends and neighbors.** Use a local, well-established contractor. **Ask the contractor to give you references.** Then call the references, ask questions and look at the work.
- 3 Ask the contractor if the company is insured** against claims covering worker's compensation, property damage and general liability.
- 4 Get all estimates in writing.** Estimates should be very specific and should include exactly what you're getting for the price. Make sure all bids are based on the same set of specifications and include a completion date. Get a written contract for all work.
- 5 Be sure to see the building permit before work starts, and make sure it's not in your name.** Never obtain the building permit yourself for work being done by a contractor. Doing so, you assume all risks and it will be difficult to recoup money for inferior work.

About the Board for Licensing Contractors

The State of Tennessee Board for Licensing Contractors is a division of the Department of Commerce and Insurance. It was established in 1931 to protect the consumers across the state of Tennessee. The Board also provides information to make consumers aware of, and avoid, various problems and legal complications resulting from construction projects.

Members of the Board for Licensing Contractors are themselves Tennessee-licensed contractors. They represent a wide variety of specialties in the construction industry and are from all areas of the state. The Board for Licensing Contractors also serves to strengthen the professional status of all licensed contractors in the State of Tennessee.

STATE OF TENNESSEE
The Honorable Don Sundquist, Governor

DEPARTMENT OF COMMERCE AND INSURANCE
Douglas M. Sizemore
Commissioner

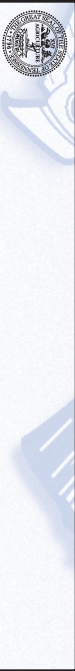
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or (615) 741-8307

BOARD FOR LICENSING CONTRACTORS
Department of Commerce and Insurance



The Tennessee Department of Commerce and Insurance is committed to principles of equal access, and affirmative action. Contact: the EEO Coordinator or ADA Coordinator 615-741-2177 (TDD).

Sound Construction, Sound Quality

A Consumer's Guide To Selecting A Contractor



**Contractors Licensing Board
of Tennessee**
Department of Commerce & Insurance

Licensed Contractors Measure Up To Tennessee's Highest Standards

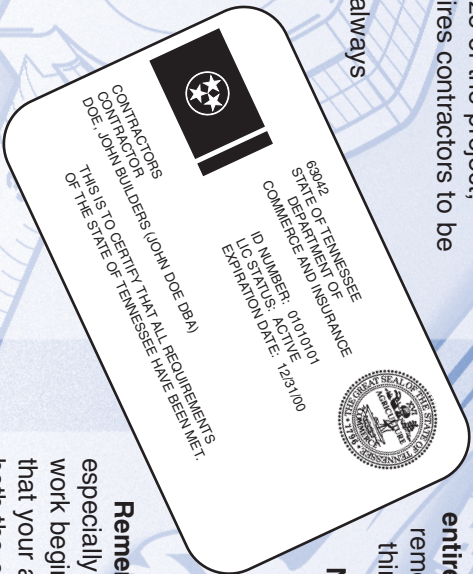
Buyer Beware

When selecting a contractor, it's important to use caution — whether you are considering hiring a contractor for home improvement, remodeling or new construction. If you make sure the contractor you hire is licensed, insured and reputable, you'll avoid a lot of problems.

The most frequent problems heard from consumers involve cost overruns, missed deadlines and poor workmanship. Other complaints involve unscrupulous contractors who take advance payments and then disappear before finishing or even starting work.

Depending on the size of the project, Tennessee law requires contractors to be licensed.

To protect yourself, always check to see if the contractor is licensed and in good standing. The Board for Licensing Contractors can be reached at **1-800-544-7693** or **615-741-8307**.



Ask to see a copy of the company's license or the pocket card issued to all licensed contractors by the Tennessee State Board for Licensing Contractors.

Get It in Writing

A written contract, spelling out all the details, should always be used, even on small projects. Avoid contractors who refuse to put it in writing. Keep in mind, any promises that the contractor makes will be difficult to enforce unless they are in writing.

The contract should contain the **full name, street address and phone number of the contractor** as well as the home owner. It should also have an **agreed upon price, complete description of the work to be done, and materials** (grades and type) to be used, the **starting and completion dates, clean up** after the work is finished and the **payment schedule**. Never sign a contract with blanks to be filled in later.

Never pay a remodeler or contractor the entire cost of the work up front. On remodeling projects, never pay more than one-third down.

Never release the final payment until the project is completed according to the contract. You should also have proof that all suppliers, employees and subcontractors have been paid by the contractor.

Remember that changes cost money, especially if you decide to make changes after the work begins. To avoid misunderstandings, make sure that your agreement with the contractor, concerning both the changes and costs, are put in writing and added to the original contract.

Even if you follow these guidelines, problems may arise. Take time to talk with your contractor about your project and try to work out any disagreements. Frequently, effective communication will resolve most difficulties. If problems persist, it is a good idea to document your side of the dispute by putting in

writing all issues that need to be resolved. Send a copy to the contractor and keep a copy for your file.

If the work was not completed according to the terms of the contract, the property owner has the option to pursue legal action against the contractor. You can also file a Consumer Complaint with the Tennessee Contractors Licensing Board at 1-800-544-7693. The Contractors Licensing Board cannot force the Contractor to provide financial restitution.

Here are some helpful hints to avoid "fly-by-night" operations.

Consumers should be especially wary of **unsolicited door-to-door salespeople and telephone solicitors**. Some may offer a reduced price for a limited time only, or claim they have just completed a job nearby and have materials left over, or they may offer to use your home as a "demonstration model." Don't fall prey to these kinds of sales tactics.

Be wary of people who offer **gifts, prizes, cash rebates or other special inducements**. These inducements are against the law.

Beware of contractors who offer to finance your project for you. **Do not sign a note they draw up** because they could place a lien on your house.

Consumers should also beware of **unmarked trucks and vans**, as well as the use of **post office boxes**. It's good advice to **always request the street address** of the contractor and make sure the telephone number is not just an answering service.